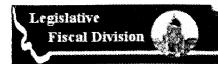
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HB 116 Summary

Result of the HJR 36 resolution approved in the 2005 Legislative session.

Study was assigned to Legislative Finance Committee, a sub-committee was created and a process was developed. Projects with RIT funding were evaluated based on

- 1. Consistency with RIT interest statutes, and groundwater tax statues
- 2. Benefits to the state based on program outcomes

The study recommendations were adopted by the finance committee in June of 2006. This included the proposed legislation, identification of other issues and directions to the staff.

The proposed legislation addresses a number of issues identified. They are as follows:

Re-design the Renewable Resource and Reclamation and Development Funds

The renewable resource and reclamation and development funds were established to provide funding for grant and loan programs. Over time the funds have been utilized for other programs and activities, as appropriations were made based on the availability of funds, rather than the statutory purpose of the fund.

The proposed legislation eliminates the current funds and establishes two new funds:

Natural Resources Project Fund: funds for the renewable resource, reclamation and development, and irrigation development grant and loan programs

Natural Resources Operations Fund: funds for other natural resource related activities

The draft legislation allocates revenues to the natural resource project fund by directing revenues noted in current statute as specifically for the purpose of making grants and loans. The natural resources operating fund, receives all other amounts currently directed to the renewable resources and reclamation and development funds. These changes can be found in sections 1,2,3,4,7,13,14,15,16. The new funds are established in sections 20 and 21.

Transfer balance of Natural Resources Scholarship Fund

The Natural Resources Scholarship program is set to sunset in June of 2007. The program has not been widely used and the fund balance is currently \$150,000. The proposed legislation redirects the allocation of RIGWA from the scholarship fund to the water storage fund to assist with the backlog of rehabilitation projects on state owned water projects. This change can be found in Section 3.

Revise allocation of RIGWA taxes

The cash balance in the hazardous waste fund (HW) and the environmental quality protection fund (EQPF) is currently dependent upon the ability to transfer funds from the orphan share Fund. The proposed legislation re-allocates approximately \$630,000 of RIGWA taxes each biennium equally to the HW and EQPF funds rather than depositing the funds to the orphan share. This change would remove the orphan share fund from

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HB 116 Summary

Legislative

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